

Newport

Travel Impacts, 1991-2010p

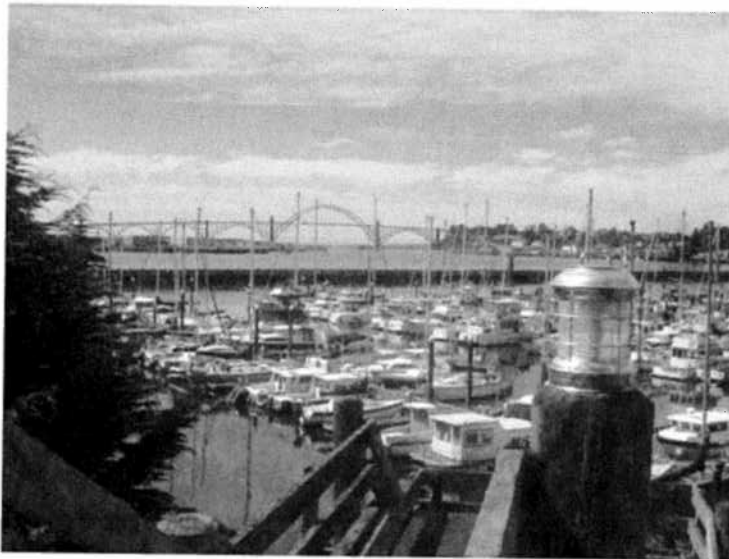


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PREPARED FOR

Greater Newport Chamber of Commerce
Newport, Oregon

**NEWPORT
TRAVEL IMPACTS, 1991-2010P**

Prepared for the

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NEWPORT TRAVEL IMPACTS, 1991-2010P

This study, prepared for the Greater Newport Chamber of Commerce, documents the economic significance of the travel industry in Newport from 1991 through 2010. The principal aim of this study was to prepare preliminary estimates of travel spending during 2010 as well as to provide estimates of the earnings, employment and tax revenues generated by these expenditures. In addition, this year's report also provides estimates of overnight visitor volume and average spending.

The 2010 estimates contained in this report are *preliminary*. These estimates are based on the 2010p economic impact analysis for Oregon counties prepared for the Oregon Tourism Commission and updated with the most current information collected for Newport.

In interpreting the findings, it should be noted that:

- All estimates contained in this report supersede those previously published.
- The estimates in this report are expressed in *current* dollars. There is no adjustment for inflation.
- The economic impact measurements represent only direct economic impacts. Direct economic impacts include only the spending by travelers and the employment generated by that spending. Secondary effects related to the additional spending of businesses and employees are not included.
- The employment estimates in this report are estimates of the total number of full and part-time number of jobs directly generated by travel spending, rather than the number of individuals employed. Payroll and self-employment are included in these estimates.
- This year's report is based on a revised methodology and new source data. The economic impact estimates are similar to those reported in previous years. The time series reported here supersedes all earlier estimates. (See Appendix A, page 7, for an explanation of these revisions.)

TRAVEL TRENDS

Total direct travel spending in Newport was \$122.8 million in 2010. This represents a 1.8 percent increase over the preceding year in current dollars. Employment was flat, and down overall from 2007-2008 levels. It should be noted that the performance of the larger Central Coast travel industry has been similar to that of Newport in terms of both spending and employment.¹

Newport, Oregon Travel Trends, 1991-2010p

	Spending	Earnings	Employment	Tax Receipts (\$Thousand)		
	(\$Million)	(\$Million)		Local	State	Total
1991	68.0	18.5	1,540	663	1,519	2,182
1992	76.8	21.0	1,630	888	1,757	2,645
1993	76.4	20.9	1,570	875	1,767	2,642
1994	80.2	21.9	1,580	928	1,862	2,790
1995	87.1	23.8	1,650	1,002	1,979	2,981
1996	106.5	27.5	1,840	1,437	2,283	3,720
1997	97.5	25.4	1,630	1,377	2,106	3,483
1998	97.4	25.5	1,510	1,393	2,099	3,492
1999	92.7	24.1	1,460	1,299	1,978	3,277
2000	99.5	25.5	1,460	1,390	2,101	3,491
2001	105.3	27.0	1,560	1,476	2,196	3,672
2002	105.4	27.1	1,520	1,439	2,173	3,612
2003	108.1	27.7	1,550	1,666	2,231	3,898
2004	112.6	28.6	1,580	1,758	2,513	4,271
2005	113.2	28.4	1,500	2,080	2,511	4,591
2006	118.8	29.6	1,490	2,261	2,623	4,884
2007	121.0	31.6	1,580	2,389	2,748	5,137
2008	122.1	32.5	1,580	2,244	2,803	5,047
2009	120.5	32.0	1,540	2,240	2,780	5,020
2010p	122.7	32.3	1,540	2,293	2,818	5,111
<i>Annual Percentage Change</i>						
09-10p	1.8%	0.9%	0.1%	2.4%	1.4%	1.8%
91-10p	3.2%	3.0%	0.0%	6.8%	3.3%	4.6%

¹ See *Oregon Travel Impacts, 1991-2010p* prepared for Oregon Tourism Commission by Dean Runyan Associates.

Over the decade Newport's share of Central Coast lodging sales has declined – from about 25 percent to 20 percent. This occurred mostly during the 2004 to 2007 period.

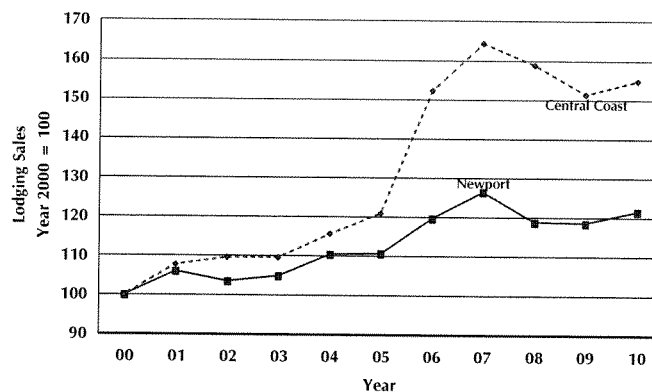
Newport & Central Coast Lodging Sales

Year	Newport	Central Coast	Newport Share
00	19.9	77.9	26%
01	21.1	83.8	25%
02	20.6	85.3	24%
03	20.8	85.3	24%
04	22.0	90.0	24%
05	22.0	94.1	23%
06	23.8	118.5	20%
07	25.1	127.9	20%
08	23.6	123.6	19%
09	23.6	117.9	20%
10	24.1	120.5	20%

Average Annual Change		
09-10	2.4%	2.2%
00-10	2.0%	4.5%

Source: Oregon Department of Revenue, City of Newport and other taxing jurisdictions in Lincoln, east Douglas and east Lane counties.

Newport and Central Coast Lodging sales (Year 2000 = 100)



Detailed travel impacts for 2000-2010p are presented on the following page.

Newport, Oregon Travel Impacts, 2004-2010p

	2004	2005	2006	2007	2008	2009	2010p
Total Direct Travel Spending (\$Million)							
Destination Spending	110.4	110.5	115.6	117.6	118.2	117.8	119.4
Other Travel*	2.2	2.7	3.2	3.4	3.9	2.7	3.3
Total Direct Spending	112.6	113.2	118.8	121.0	122.1	120.5	122.7
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	26.5	26.6	28.8	30.5	28.6	28.5	29.2
Food Service	24.1	24.3	25.3	25.8	26.8	28.1	28.2
Food Stores	14.1	13.9	14.1	14.4	15.0	15.1	15.0
Local Tran. & Gas	6.4	7.3	8.2	8.8	10.2	7.9	9.1
Arts, Ent. & Rec.	19.5	19.1	19.5	19.1	19.0	19.2	18.9
Retail Sales	19.7	19.4	19.7	19.0	18.6	19.0	19.1
Destination Spending	110.4	110.5	115.6	117.6	118.2	117.8	119.4
Industry Earnings Generated by Travel Spending (\$Million)							
Accom. & Food Serv.	19.0	18.9	19.9	21.3	21.7	21.5	21.7
Arts, Ent. & Rec.	5.1	5.0	5.2	5.6	5.9	5.6	5.8
Retail***	4.3	4.2	4.3	4.3	4.6	4.6	4.5
Other Travel**	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total Direct Earnings	28.6	28.4	29.6	31.6	32.5	32.0	32.3
Industry Employment Generated by Travel Spending (Jobs)							
Accom. & Food Serv.	1,010	970	960	1,030	1,040	990	1,000
Arts, Ent. & Rec.	330	300	310	320	310	310	320
Retail***	220	220	210	210	220	220	210
Other Travel**	20	20	20	20	20	10	10
Total Direct Employment	1,580	1,500	1,490	1,580	1,580	1,540	1,540
Government Revenue Generated by Travel Spending (\$Million)							
# Local Tax Receipts	1.8	2.1	2.3	2.4	2.2	2.2	2.3
# State Tax Receipts	2.5	2.5	2.6	2.7	2.8	2.8	2.8
# Total Local & State	4.3	4.6	4.9	5.1	5.0	5.0	5.1

Details may not add to totals due to rounding.

*Other Travel spending includes ground transportation spending and related impacts for travel to other Oregon visitor destinations, and travel agencies.

**Other Travel employment and earnings includes all ground transportation, except motor fuel, and travel agencies.

***Retail includes gasoline.

NEWPORT OVERNIGHT VISITOR VOLUME AND AVERAGE SPENDING

Visitor volume and average visitor spending estimates for Newport are shown below. The tables are mathematically related: The total visitor spending estimates in the first table are equivalent to the average spending estimates in the second table multiplied by the appropriate measure of visitor volume in the third table.

Visitor Spending by Type of Traveler Accommodation (\$Million), 2004-2010p

	2004	2005	2006	2007	2008	2009	2010
All Overnight	73.3	73.9	78.1	81.2	82.3	81.4	83.1
Hotel, Motel	50.5	51.0	54.6	56.9	57.5	56.7	57.9
Private Home	3.3	3.4	3.6	3.7	3.9	3.8	3.8
Other Overnight	19.5	19.4	19.9	20.5	21.0	21.0	21.3
Campground	14.9	14.5	14.9	15.3	15.6	15.7	16.0
Vacation Home	4.7	4.9	5.0	5.2	5.4	5.3	5.4
Day Travel	37.0	36.6	37.6	36.4	35.9	36.4	36.4
Spending at Destination	110.4	110.5	115.6	117.6	118.2	117.8	119.4

Average Expenditures for Overnight Visitors, 2010p

	Travel Party		Person		Party Size	Length of Stay (nights)
	Day	Trip	Day	Trip		
Hotel, Motel	\$324	\$613	\$137	\$259	2.4	1.9
Private Home	\$76	\$232	\$31	\$94	2.5	3.0
Other Overnight	\$128	\$420	\$38	\$126	3.3	3.3
All Overnight	\$210	\$514	\$75	\$192	2.8	2.4

Overnight Visitor Volume, 2008-2010p

	Person-Nights (000)			Party-Nights (000)		
	2008	2009	2010	2008	2009	2010
Hotel, Motel	420	427	423	177	180	179
Private Home	124	124	124	50	50	50
Other Overnight	547	556	556	164	167	167
All Overnight	1,091	1,106	1,102	392	398	396

	Person-Trips (000)			Party-Trips (000)		
	2008	2009	2010	2008	2009	2010
Hotel, Motel	222	226	223	94	95	94
Private Home	41	41	41	17	17	16
Other Overnight	167	170	170	50	51	51
All Overnight	430	436	434	160	163	162

APPENDICES

APPENDIX A. REVISIONS TO 2010 REPORT

APPENDIX B. REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY

Appendix C: Travel Impact Industries Matched to 2007 NAICS

REVISIONS TO 2010 REPORT

Substantial revisions were made to this year's report in order to incorporate new and more reliable source data and to permit consistent average overnight visitor spending and volume estimates for counties and regions throughout Oregon. The primary revisions were:

- Four year's of visitor survey data provided by TNS TravelsAmerica was utilized revised spending and visitation profiles.
- Smith Travel Research reports prepared for the Oregon Tourism Commission and other entities in the state were used to refine lodging expenditures and validate volume estimates in conjunction with lodging tax data.
- Estimates of spending on ground transportation for counties and regions were revised to more accurately reflect the origin and destination of the visitor. Only that portion of ground transportation spending that was estimated to occur at the destination was allocated to destination spending. The remaining portion was allocated to the "other travel" category based on the county distribution of population within the state.

As a consequence of these revisions in methodology and source data, all prior impact estimates have also been revised in order to maintain a consistent time series. However, the total spending estimates and related impacts for Newport are not substantially different from previous estimates.

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**REGIONAL TRAVEL IMPACT MODEL (RTIM)
TRAVEL IMPACT ESTIMATION PROCEDURES**

TRAVEL SPENDING

Hotel, Motel, B&B. Spending on commercial accommodations by hotel and motel guests is estimated from transient lodging tax collections at the city/county jurisdictional level. Spending by hotel and motel guests in other business categories, such as food and transportation, is estimated using spending distributions reported in the visitor survey data. The spending distribution shows how travelers divide their spending between lodging and other purchases.

Campground. Spending by campers using commercial campgrounds is estimated from the number of commercial campsites, the average occupancy of these campsites and the average daily expenditures of visitor camp parties reported in survey data. Spending in other business categories is estimated in the same way as for hotel guests. Spending by campers using public campgrounds is estimated from visitor counts at national and state parks, national forests, and state and federally managed recreation areas and then multiplying the visitation by daily spending estimates from the visitor survey.

Private Home. Spending by private home guests is determined from visitor survey data estimating the number of visitors staying as guests of friends and relatives and applying these rates to the household population base in Newport.

Vacation Home. Estimated spending by vacation home renters and owners is based on housing data from the U.S. Bureau of the Census and visitor survey data.

Day Travel. The share of day visits as a percentage of total travel is estimated from visitor survey data and applied to average daily spending estimates to produce day visitor spending.

Travel Arrangement Services. This category consists of travel agents, tour operators, and other travel arrangement and reservation services. Employment and earnings are estimated from covered employment and wage data. Sales estimates are not included in this report.

RELATED TRAVEL IMPACTS

Spending by travelers generates jobs, payroll, and state and local tax revenue.

Earnings generated directly from traveler expenditures are estimated from a payroll-to-receipts ratio obtained from the 2007 Economic Census and earnings estimates from the Bureau of Economic Analysis.

Employment in each business category is calculated from county level wage data supplied by the U.S. Bureau of Labor Statistics and earnings estimates from the Bureau of Economic Analysis.

Local Taxes consist of local room taxes, or transient lodging taxes as well as local taxes applicable to traveler purchases in eating and drinking establishments and on automobile rentals.

State Taxes consist of the statewide lodging tax (beginning in 2004), corporate income taxes and gasoline taxes attributable to travel expenditures, and personal income taxes based on the associated travel-generated employment.

Personal income taxes are estimated by applying the average state personal income tax rate to payrolls resulting from traveler spending. Corporate income taxes are estimated by applying an implicit tax rate to the business receipts, or sales, generated from traveler spending.

TRAVEL IMPACT INDUSTRIES MATCHED TO 2007 NAICS

TRAVEL IMPACT INDUSTRY	NAICS INDUSTRIES* (code)
Accommodation & Food Services	Accommodation (721) Food Services and Drinking Places (722) Residential Property Managers (531311)
Arts, Entertainment & Recreation	Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487) Miscellaneous Industries (see note**)
Retail	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
Ground Transportation	Interurban and rural bus transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)

Notes: *Government enterprises (e.g., park systems) are included in this classification.

**Includes parts of industries in other sectors (e.g., accommodation, charter bus).

A more detailed description of these industries can be found at <http://www.ntis.gov/naics>.